

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

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COMMISSION

In the Matter of:

AN ADJUSTMENT OF THE ELECTRIC)
RATES, TERMS, AND CONDITIONS OF) CASE NO. 2003-00433
LOUISVILLE GAS AND ELECTRIC COMPANY)

AND

AN ADJUSTMENT OF THE ELECTRIC)
RATES, TERMS, AND CONDITIONS OF) CASE NO. 2003-00434 ✓
KENTUCKY UTILITIES COMPANY)

**RESPONSE ON BEHALF OF KACA AND CAC
TO MOTION OF THE ATTORNEY GENERAL
TO SET ASIDE RATE DETERMINATION**

Come now the Kentucky Association for Community Action, Inc. (KACA), and
Community Action Council for Lexington-Fayette, Bourbon, Harrison and Nicholas Counties,
Inc. (CAC), by counsel, and for their response to the motion of the Attorney General to set aside
the rate determinations, state as follows:

As a result of the settlement negotiations in these cases, the parties, including the
Attorney General, **unanimously** agreed to the establishment of Home Energy Assistance (HEA)
programs in both the LG&E and the KU service territories, funded by a ten cent (\$.10) per meter
charge on residential customers. Joint applications for the establishment of the HEA programs
have now been filed with the Commission as contemplated by the unanimous settlement
agreement in these actions, and have been assigned the following case numbers: Case No. 2004-

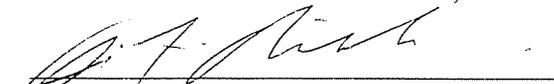
00303 (KU) and Case No. 2004-00304 (LG&E). Those cases are proceeding and the Commission has previously ordered that the per meter rate charge go into effect as of October 1, 2004, pending distribution after approval of the two HEA joint applications by the Commission.

The Attorney General's motion to set aside the rate determinations in these cases should not effect the implementation of the respective HEA programs. The Attorney General has now filed a response to the motion in which he states that he was a party to the unanimous settlement agreement, he participated in the design of the HEA programs, and the HEA programs should be allowed to go forward notwithstanding the current motion to set aside the rate determinations. KACA and CAC agree with this position.

If the HEA programs are not allowed to go into effect pending a decision on the Attorney General's motion, then the HEA programs themselves are severely jeopardized for this heating season. Furthermore, the cost of the HEA programs is not borne by the companies, but rather by the ratepayers. Even if the rate determinations are set aside by this Commission, on which KACA and CAC take no position, the HEA programs should be allowed to proceed, since they involve no net cost to the utilities, and delay could jeopardize heating assistance for the most vulnerable low income citizens in a time of steeply rising utility costs.

For these reasons, KACA and CAC respectfully request that the Commission continue its review of the respective HEA programs independent of the Commission's determination of the Attorney General's motion to set aside the rate determinations.

RESPECTFULLY SUBMITTED,



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CERTIFICATE OF SERVICE

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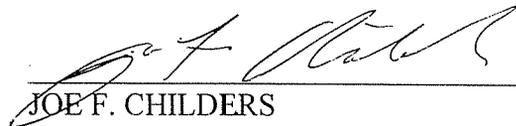
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on this the 3rd day of November, 2004.



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